



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
m/023/0004

April 13, 2010

CERTIFIED RETURN RECEIPT
7003 2260 0002 0247 9413

Duane Crutchfield
Ash Grove Cement Company
PO Box 38069
Leamington, Utah 84538

Subject: Notice of Cancellation/Termination of Reclamation Letter of Credit # _____, Ash Grove Cement Company, Leamington Cement Plant, M/023/0004, Juab County, Utah

Dear Mr. Crutchfield:

Please review the enclosed notice of non-renewal notification from Bank of American indicating Letter of Credit (LOC) # _____ in the amount of \$4,372,057.00 for the Leamington Cement Plant will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a ninety-day notice is given to the Division. These terms have been met; therefore, effective July 24, 2010, the LOC will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before June 6, 2010, or the Division will be forced to do any/some of the following:

- Carry out the terms of Letter of Credit # _____
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

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